

100% of the aggregate amount, if any, by which the Market Price of such hogs purchased by Morrell is less than the Contract Floor Price. No interest shall accrue on the outstanding balance of the ledger account. The outstanding balance of the ledger account at any time is sometimes hereinafter referred to as the "Current Ledger Amount." Notwithstanding any provision of this Part III to the contrary, the Current Ledger Amount shall at no time be permitted to exceed an amount (the "Maximum Ledger Amount") equal to the product of (i) the highest Annual Projected Total Production amount for any Period specified on the Projection Certificate then in effect, times (ii) \$5.00/head. By way of illustration, if Producer's highest Annual Projected Total Production amount for any Period specified on his Projection Certificate is 50,000 hogs, then the Maximum Ledger Amount applicable to Producer would be \$250,000.

#### PART IV. EXPIRATION AND RENEWAL.

(a) Except as provided in Part IV(c) below, at the end of the term of this Agreement (including any extended term), if the Current Ledger Amount is greater than zero, then Morrell will pay such amount to Producer in cash, without interest, within thirty (30) days following this Agreement's expiration date; provided, however, that if the Current Ledger Amount is greater than \$50,000, then Morrell shall have the right to extend the term of this Agreement for an additional two (2) years by delivering written notice of extension (the "Extension Notice") to Producer within thirty (30) days following the Agreement's expiration date. Notwithstanding the foregoing, if Morrell delivers the Extension Notice, Producer may terminate this Agreement (and the term hereof shall not be extended) if Producer notifies Morrell within five (5) business days following its receipt of the Extension Notice that Producer does not wish to extend the term. In the event that Producer so terminates this Agreement, then Producer shall forfeit its right to receive the Current Ledger Amount.

(b) Except as provided in Part IV(c) below, at the end of the term of this Agreement (including any extended term), if the Current Ledger Amount is less than zero, then Producer will pay such amount to Morrell in cash, without interest, within thirty (30) days following this Agreement's expiration date; provided, however, that if the Current Ledger Amount is less than minus \$50,000, then Producer shall have the right to extend the term of this Agreement for an additional two (2) years by delivering the Extension Notice to Morrell within thirty (30) days following the Agreement's expiration date. Notwithstanding the foregoing, if Producer delivers the Extension Notice, Morrell may terminate this Agreement (and the term hereof will not be extended) if Morrell notifies Producer within five (5) business days following its receipt of the Extension Notice that Morrell does not wish to extend the term. In the